

CREP

Start to Finish *What you need to know!*

Pennsylvania Conservation Reserve Enhancement Program

Eligibility

- Land must have been in annually-tilled crop (corn, beans, wheat, etc.) **two** of the last **five** years, or be pasture ground along a stream that will be planted to trees.
- Long-term hay land is not eligible.
- All cropping history must be certified to the FSA office. If the producer never reported crops to the FSA office, it is the landowner's responsibility to supply this information on maps provided by FSA and verified with two unrelated signatures.
- Land must meet erodibility criteria as determined by soil type and slope during NRCS field visit.
- CRP contracts enrolled after September 11, 1995, and prematurely withdrawn for any reason, are not eligible to be enrolled in CREP.
- All crops must be removed before a contract is started. Any unharvested crops remaining after the contract starts cannot be harvested.
- All contracts begin the 1st of the month after FSA County Committee's approval of the contract.
- All owners on the deed **MUST** sign the contract.

Landowner / Tenant

- Landowner's must obtain the signature of the most recent producer stating that the producer is voluntarily stopping production on land so that it can be enrolled in CREP (including a Verbal Lease).

Establishment of Conservation Practices

- It is the landowner's responsibility to arrange for the timely establishment of the required practices. This includes all aspects of establishment such as soil testing and subsequent liming and fertilization, seed ordering, ground preparation, planting, and follow-up establishment maintenance if necessary. NRCS staff can provide assistance in arranging details of establishment where needed.
- Landowners are responsible for all up-front costs of establishment.
 - Reimbursement for installation of CREP practices is 100% paid in two parts.
 - Federal (50%) and State (50%) reimbursement will follow the completion of the required seeding, fertilizing, etc. as required in the conservation plan.
 - High priority practices have a Sign-up Incentive Payment (SIP) & Practice Incentive Payment (PIP). (Ask for details.)
 - Partial payments are an option if the landowner chooses to break establishment costs into two groups.
 - All costs must be documented with bills to receive reimbursement.
 - Landowners can perform any or all of the required work and receive reimbursement for labor and machinery costs.

Maintenance of Conservation Cover

- Landowners receive a flat rate per acre maintenance payment as a part of their yearly payment, regardless of any actual annual maintenance costs.
- All maintenance of the cover is the responsibility of the landowner and shall be performed according to guidelines that are prepared by the NRCS staff and agreed upon in the conservation plan of operations.

Other

- If fields are divided into smaller units, FSA will require a measurement service. This charge is to be paid by the landowner and is not cost-shared.
- At the end of the year, landowners will receive one or more Form 1099 showing all payments (including Cost-Share) for that year. Landowners should consult their tax advisers on how to report these payments.
- Contracts are transferable if the land is sold and the new owner agrees to the term of the contract.
- Termination of any contract will result in payback of the following:
 - All Annual Payments received plus interest
 - All Cost-Share payments received for establishing cover plus interest
 - All SIP & PIP payments (if applicable)
 - Liquidated Damages (acres x per acre annual rental payment x 25%)
- **Income Tax** – If you do not currently file a Schedule F (Profit or Loss from Farming), you may want to start now. Consult your tax advisor and/or the Farmer's Tax Guide available to you.
- **State Sales Tax** – If you are not conducting Agricultural Production activities as a "business," it may be appropriate for you to pay State Sales Tax. Sales Tax is eligible for reimbursement through cost-sharing.

CREP is a project of the Pennsylvania Conservation Partnership. Sponsors include:

USDA Farm Service Agency

USDA Natural Resources Conservation Service

Pennsylvania Department of Agriculture

Pennsylvania Department of Environmental Protection

Pennsylvania Game Commission

Pennsylvania Department of Conservation and Natural Resources

Pennsylvania Fish and Boat Commission

Pennsylvania Association of Conservation Districts

State Conservation Commission

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